



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**FEB 20 2004**

Donna Escoto  
747 Descartes Avenue  
Henderson, NV 89015-6503

**RE: MUR 5305**

Dear Ms. Escoto:

On October 3, 2002, the Federal Election Commission notified you of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to you at that time.

Upon further review of the allegations contained in the complaint and information provided by other parties, the Commission, on February 3, 2004, found that there is reason to believe you violated 2 U.S.C. § 441f, a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

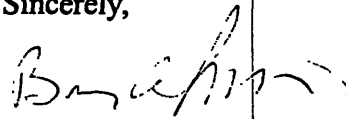
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If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Jesse Christensen, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,



Bradley A. Smith  
Chairman

Enclosures  
Designation of Counsel Form  
Factual and Legal Analysis

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**FEDERAL ELECTION COMMISSION**  
**FACTUAL AND LEGAL ANALYSIS**

**RESPONDENT:** Donna Escoto

MUR 5305

**I. GENERATION OF MATTER**

This matter was generated by a complaint filed with the Federal Election Commission by Donald F. McGahn II, General Counsel of the National Republican Congressional Committee. *See* 2 U.S.C. § 437g(a)(1).

**II. BACKGROUND**

Complainant alleges that contributions to Herrera for Congress ("the Herrera Committee") by employees of Rhodes Design and Development Corporation ("RDDC" or "Rhodes") and their spouses were made as part of a reimbursement scheme. RDDC is a Las Vegas, Nevada-based real estate development corporation headed by James M. Rhodes. Complainant alleges that either James M. Rhodes or RDDC was the true source of the funds.

During the period between April 24, 2001 and March 29, 2002, fourteen RDDC employees and two of their spouses (together "the RDDC contributors") contributed a total of \$27,000 to the Herrera Committee. These contributions were "bundled" on four specific dates, with over half of the total (\$15,000) contributed on June 30, 2001. Despite their wide range of positions, the RDDC contributors all made the maximum contributions allowed by the Act. Donna Escoto, an RDDC Director of Purchasing, contributed \$1,000 to the Herrera Committee on April 24, 2001 towards the primary election.

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### **III. FACTUAL AND LEGAL ANALYSIS**

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another or knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f.

Taken as a whole, the available facts demonstrate that fourteen individuals who either work for, or have a spouse that works for, a single corporation, contributed the maximum amount allowed by the Act to a single candidate. None of these contributors appears ever to have made a political contribution in the past, and none has made a contribution since.

Thus, it appears that Mr. Rhodes, a frequent and knowledgeable contributor, orchestrated a reimbursement scheme whereby RDDC employees, like Ms. Escoto, and their spouses contributed the maximum allowable under the Act to the Herrera Committee and were reimbursed either with RDDC funds or with Mr. Rhodes' personal funds.

Therefore, there is reason to believe Donna Escoto violated 2 U.S.C. § 441f by knowingly allowing her name to be used to effect a contribution in the name of another.

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